

ARTICLES OF INCORPORATION

OF

RANCHO ANTIGUA ASSOCIATION

A.C.C. CORPORATIONS DIVISION
RECEIVED

AUG 19 1992

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In compliance with the requirements of A.R.S. §10-1000 et. seq. and that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rancho Antigua (to be recorded on or about the date hereof) (the "Declaration"), the undersigned, all of whom are residents of Pima County, Arizona, have this day voluntarily associated themselves together for the purpose of forming a non-profit corporation under and pursuant to the laws of the State of Arizona, and subject and subordinate to the Declaration of Protective Restrictions for Rita Ranch recorded in Docket 7435 at Page 674, the First Amendment to Declaration of Protective Restrictions for Rita Ranch recorded in Docket 7942 at Page 1672, the Declaration of Special Maintenance Covenants For Rita Ranch recorded in Docket 9313 at Page 1005 and the Declaration of Special Covenants and Requirements for Rita Ranch recorded in Docket 7434 at Page 775, cumulatively referred to herein as the "Master Documents", all recorded in Pima County, Arizona, and do hereby adopt the following Articles of Incorporation.

ARTICLE I

DEFINITIONS

The words and terms used herein shall be deemed to have the same meanings as are given those words and terms in the Declaration upon its recordation. "Declarant" as used herein shall refer to Rita Land Corporation, an Arizona corporation. "Rancho Antigua" as used herein to describe a place or property shall refer to the real property known as Lots 1 through 534 of Ranch Antigua, a subdivision of Pima

County, according to the Map of Record in the Office of the Pima County Recorder in Book 40 of Maps and Plats at Page 46.

ARTICLE II

NAME

The name of the corporation is Rancho Antigua Association (the "Association").

ARTICLE III

PRINCIPAL PLACE OF BUSINESS

The principal and known place of business and office of the Association shall initially be located at 3567 E. Sunrise, Suite 218, Tucson, Arizona 85718.

ARTICLE IV

INITIAL BUSINESS

The character of business that the Association initially intends to actually conduct is the administration of requirements of the Declaration.

ARTICLE V

STATUTORY AGENT

W. James Harrison, Esq., whose address is 111 S. Church Ave., Suite 200, Tucson, Arizona 85701, is the initial statutory agent of the Association.

ARTICLE VI

PURPOSES, POWERS AND CHARACTER OF AFFAIRS

Section 1. Purposes and Initial Purposes. The purpose for which the Association is organized is the transaction of any and all

lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona, as the same may be amended from time to time, including, but not limited to:

A. To encourage and facilitate social and recreational activities for the Owners, Lessees and Residents of Rancho Antigua.

B. To provide for the orderly development, maintenance, preservation and architectural control of Rancho Antigua, as provided in the Declaration.

C. To promote the health, safety and welfare of the Owners, Lessees and Residents within Rancho Antigua and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

D. To comply with the requirements of the Declaration and the Master Documents.

Section 2. Powers. In the conduct of its business, this Association, to the extent authorized by its Board of Directors and subject to any limitations set forth in the Declaration and amendments thereto, shall be empowered to do all things that a private person or individual might do under the laws of the State of Arizona, including, but not limited to, the following:

A. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided, such Declaration being incorporated herein as if set forth at length;

B. Fix, levy, collect and enforce payment of, by any lawful means, all charges or Assessments pursuant to the terms of the Declaration and the Declaration of Special Maintenance Covenants for Rita Ranch recorded in Docket 9313 at Page 1005 in the office of the Pima County Recorder; to pay all expenses in connection therewith and all office and other expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

C. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

D. Borrow money, guarantee payment or performance of obligations, and, with the assent of two-thirds (2/3) of each class of Members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred. ..

E. Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Association. Unless otherwise required by zoning stipulations or agreements with the City of Tucson effective prior to the date hereof or specified on a recorded subdivision plat, no such dedication of transfer shall be effective unless

an instrument has been signed and recorded by two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer, or such dedication or transfer is to public agencies, authorities or utilities in accordance with the Declaration.

F. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Common Area; provided, however, that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of Members.

G. Establish and adopt Bylaws and other rules and regulations deemed necessary and expedient to carry into effect the objects and purposes of the Association.

H. Have and exercise any and all powers, rights and privileges which a corporation organized under the Arizona Revised Statutes Section 10-1000 et seq. may by law now or hereafter exercise.

Section 3. Limitation of Purposes. Notwithstanding anything herein contained to the contrary, no part of the activities of the Association shall be devoted to carrying on propoganda or otherwise attempting to influence legislation and the Association shall make no gift, donation or contribution to any institution or organization engaged in such activities. No stock may be issued by this Association, and no dividends or pecuniary profit shall be paid to or inure to the benefit of its Members. No certificates or Membership shall be issued and Memberships shall be evidenced by an official list of the Owners, which list shall be kept by the Secretary of the Association.

ARTICLE VII

MEMBERSHIPS AND VOTING

Section 1. Owners of Lots and Blocks. Every Owner of a Lot which is subject to Assessment shall be a Member of the Association. Each such Owner shall have one (1) Membership for each Lot owned by the Member. Each such Membership shall be appurtenant to, and may not be separated from, ownership of the Lot to which the Membership is attributable. There shall be only one (1) Membership for each Lot.

Section 2. Declarant. The Declarant shall be a Member of the Association for so long as Declarant holds a Class B Membership pursuant to Section 3 below or owns any property in Rancho Antigua.

Section 3. Voting. The Association shall have two (2) classes of voting Memberships:

Class A. Class A Memberships shall be all Memberships, except the Class B Membership held by the Declarant, and each Owner shall be entitled to one (1) vote for each Class A Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of the Declaration in accordance with the provisions thereof.

Class B. There shall be one (1) Class B Membership which shall be held by the Declarant and the Class B Membership shall be entitled to three (3) votes for each Membership or Lot owned by the Declarant. The Class B Membership shall cease and be converted to Class A Memberships on the happening of the first of the following events:

A. Within ninety (90) days after the number of Class A votes exceeds the number of Class B votes, or

B. December 31, 2005.

Section 4. Right to Vote. No change in the ownership of a Membership shall be effective for voting purposes unless and until the Board is given actual written notice of such change and is provided satisfactory proof thereof. The vote for each Membership must be cast as a unit, and fractional votes shall not be allowed. In the event that a Membership is owned by more than one (1) person or entity and such Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Member casts a vote representing a certain Membership, it will thereafter be conclusively presumed to be for all other owners of the same Membership unless objection thereto is made at the time the vote is cast. In the event more than one (1) vote is cast for a particular Membership, none of the said votes shall be counted and all said votes shall be deemed void.

Section 5. Cumulative Voting for Board Members. In any election of the members of the Board, every owner of a Membership entitled to vote at such an election shall have the number of votes for each Membership equal to the number of directors to be elected, except that the Class B Member shall have the number of votes designated in Section 3 above times the number of directors to be elected. Each Member shall have the right to cumulate his votes for one (1) candidate or to divide such votes among any number of the candidates. The candidates receiving the highest number of votes, up

to the number of the Board members to be elected, shall be deemed elected.

Section 6. Membership Rights. Each Member shall have the rights, duties and obligations set forth in the Declaration and such other rights, duties and obligations as are set forth in the Articles and Bylaws, as the same may be amended from time to time.

Section 7. Transfer of Membership. Except as provided in the Declaration, the rights and obligations of the owner of a Class A Membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership to an Owner's Lot. A transfer of ownership to a Lot may be effected by Deed, intestate succession, testamentary disposition, foreclosure of a mortgage of record, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Arizona. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to a Lot shall operate to transfer the Membership(s) appurtenant to said Lot to the new Owner thereof.

ARTICLE VIII

BOARD OF DIRECTORS

The control and management of the affairs of this Association shall be vested in a Board of Directors of not less than three (3) nor more than nine (9) directors who need not be Members of the Association. The persons who are to serve as directors beginning with the incorporation of the Association until their successors are elected and qualified are:

David Mehl
3567 E. Sunrise, Suite 218
Tucson, AZ 85718

Bonnie Mehl
3567 E. Sunrise, Suite 218
Tucson, AZ 85718

Gary B. Davidson
3567 E. Sunrise, Suite 218
Tucson, AZ 85718

ARTICLE IX

AMENDMENTS

Section 1. Amendments. These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the votes of Members of the Association cast at a duly called meeting of the Members.

Section 2. Right of Amendment if Requested by Governmental Agency or Federally Chartered Lending Institutions. Anything in these Articles to the contrary notwithstanding, the Board shall have the right to amend all or any part of the Articles to such an extent and with such language as may be requested by the Federal Housing Administration ("FHA") or the Veterans Administration ("VA") and to further amend the Articles to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Articles or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lots. In the event of such an amendment, articles of amendment shall be executed, filed and published as provided under Arizona law. It is the desire of the Declarant to retain control of the Association and its activities through the Board of Directors during the anticipated

period of planning and development of Rancho Antigua and until the Class B Membership ceases pursuant to Article VII, Section 3 above. If any amendment requested pursuant to the provisions of this Section deletes, diminishes or alters such control, the Board shall have the right to prepare, provide for and adopt, as an amendment hereto, other and different control provisions.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are as follows:

Angel Scully
111 S. Church Ave., Suite 200
Tucson, AZ 85701

Brenda Griffin
111 S. Church Ave., Suite 200
Tucson, AZ 85701

ARTICLE XI

INTERPRETATION

In the event that any provision hereof is inconsistent with, or in derogation of, the Declaration, the provisions of the Declaration shall control and this instrument shall be interpreted accordingly.

ARTICLE XII

INDEMNIFICATION

The Association shall indemnify any person against expenses including, without limitation, attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by reason of the fact that he or she was a director, officer, employee, or agent of the Association, or is or was serving as a director, officers, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise in all circumstances in


which, and to the maximum extent that, such indemnification is permitted and provided for by the laws of the State of Arizona as then in effect. The private property of the incorporators, directors, officers, employees and agents of the Association shall be forever exempt from corporate debts and liabilities. The personal liability of directors of this Association for monetary damages, for breach of fiduciary duty as director or otherwise is eliminated to the maximum extent permitted by law.

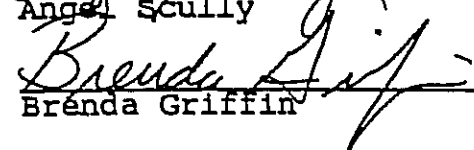
ARTICLE XIII

FHA/VA APPROVAL

If the Declaration and these Articles have been initially approved by the FHA or the VA in connection with any loan programs made available by FHA or VA and any loans have been made on property at Rancho Antigua which are insured or guaranteed by FHA or VA, then as long as there is a Class B Membership, the following actions will require the prior approval of the FHA or VA, as applicable, unless the need for such approval has been waived by FHA or VA: (i) annexation of additional properties, (ii) mergers and consolidations, (iii) dedication of the Common Area except as required by zoning stipulations or agreements with the County of Pima or City of Tucson effective prior to the date hereof, and (iv) dissolution and amendment of these Articles.

DATED this 19th day of August, 1992.




Angel Scully


Brenda Griffin

CONSENT TO APPOINTMENT AS STATUTORY AGENT

I, W. James Harrison, do hereby consent to appointment as statutory agent for Rancho Antigua Association.



W. James Harrison
Statutory Agent

STATE OF ARIZONA)
) SS.
COUNTY OF PIMA)

ACKNOWLEDGED before me this 19th day of August, 1992, by W. James Harrison.





Notary Public

My Commission Expires:

Sept. 8, 1994

EXHIBIT "B"

Lots 1 through 357 and Lots 405 through 465 of Rancho Antigua, a subdivision of Pima County, Arizona, according to the Map of record in the office of the Pima County Recorder in Book 40 of Maps and Plats at Page 46.